

**United States Senate**  
WASHINGTON, DC 20510

May 7, 2019

The Honorable Jerry Moran, Chairman  
The Honorable Richard Blumenthal, Ranking Member  
Subcommittee on Manufacturing, Trade, and Consumer Protection  
Committee on Commerce, Science, and Transportation  
United States Senate  
Washington, D.C. 20510

Dear Chairman Moran and Ranking Member Blumenthal,

For so many Americans with chronic health conditions, prescription drugs are an essential part of daily life – medicine with which millions of consumers begin and end their days. While more than half of the U.S. population regularly takes prescription medication, nearly 30 percent have reported not taking their prescriptions as prescribed due to its related costs. In this dilemma, we are witnessing a growing number of cases involving abuses of marketplace dominance, creating unexpected price jumps for consumers. With its important oversight of the Federal Trade Commission, I write to request that the Manufacturing, Trade, and Consumer Protection Subcommittee hold a hearing to examine the influence of market competition and price transparency in the rising costs of certain prescription drugs.

As you are aware, 48 state attorneys general, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Department of Justice have joined litigation alleging drug price fixing against at least 16 generic drug manufacturers suspected of setting artificially high prices for over 300 generic drugs. The factors contributing to certain high drug prices are complex. However, a lack of market competition plays a key role in rising drug prices that are not justified by their research and development costs.

Maintaining a robust healthcare marketplace is vitally important to Americans and our economy. As a 2017 Government Accountability Office report cited, “fewer competitors in the drug industry are associated with higher prices,” and that “certain merger retrospective studies have found a negative impact on innovation.”<sup>i</sup> Cultivating competition will bring real benefits to consumers through more affordable prices, increased access to services, and heightened innovation.

The Federal Trade Commission (FTC) is one of the two federal agencies charged with enforcing the nation’s antitrust laws and bears chief responsibility for federal antitrust enforcement in the pharmaceutical industry. The FTC, in particular, has comprehensive knowledge of the market dynamics that drive pharmaceutical competition. Given this position, the commission has a fundamental role to promote and preserve competition by ensuring sound regulatory processes and clarifying regulations that unreasonably limit competition.

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Providing oversight of the government and private sector is a critical part of finding solutions for challenges in the prescription drug market. It would greatly benefit the subcommittee to examine the issue through the lens of our leading consumer protection agency and review the FTC's recent efforts on enforcement, research, and advocacy. This hearing would be an invaluable opportunity to address policies going forward to spur competition in drug markets and discuss how lawmakers and the commission can improve accountability to the public.

Thank you for your consideration, and I look forward to working with you on this important bipartisan issue.

Sincerely,



Deb Fischer  
United States Senator

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<sup>i</sup> United States Government Accountability Office. "Drug Industry: Profits, research and Development Spending, and Merger and Acquisition Deals." November, 2017. <https://www.gao.gov/assets/690/688472.pdf>